

BRIEFING FOR PERSONNELISTS

PROPOSED PAY, PERSONNEL MANAGEMENT, AND BENEFITS SYSTEM

1 JULY 1987

I. HISTORICAL PERSPECTIVES

A. Background Data

- * In July 1986, former DCI Casey addressed the SSCI and outlined a number of long-term, serious personnel management concerns affecting the Agency and its ability to attract and retain the best possible workforce.

- * While the GS has served us well for a number of years, more recent efforts to satisfy our special operating requirements have required major, long-term modifications which have proven difficult to accommodate and administer within the existing GS structure.

- * Q: Why are we moving away from the General Schedule?
 - A: 1). The General Schedule is too "general" for our needs--it cannot adequately address our special operating requirements.
 - A: 2). General Schedule has 10 steps or increments for each grade with varying amounts of time between steps--increases are based on time rather than performance. Where is the incentive to perform above the satisfactory level? There is little incentive. Under GS, promotion is the primary way to award good performance, and this is tied to the rank in person concept.

B. The proposed pay, personnel management, and benefits system will:

ALLOW FOR GREATER FLEXIBILITY IN THE FOLLOWING AREAS:

- A) Everyone performing satisfactorily will do at least as well financially under the proposed system as they have done under the GS, many can do better.
- B) Emphasis is on rewarding satisfactory and above performers on an annual basis with 2 kinds of pay: permanent increases and bonuses.
- C) Employees can receive greater increments between grades. We will not be restricted to 10 steps per grade.
- D) The system will have a closer link to the market place (for those occupations where this is applicable).
- E) We are breaking the link with the comparability process--under GS all occupations receive the same increases, this will not be the case under the proposed system.

C. EXTERNAL FORCES

In an attempt to satisfy numerous internal and external personnel management concerns, the DCI has exercised his special authorities in some of the following areas in an attempt to offset problems which could not be adequately addressed under the current GS systems:

Special pay rates for high-tech personnel: engineers, physical scientists, computer specialists

We have rank in person vs. rank in position (major departure from the General Schedule)

OC banding for TOC's and Electronic Specialists

Secretarial banding

Overseas pay to be comparable to the Foreign Service Act of 1980

* These efforts, and many more, while providing additional compensation to specific groups of individuals, impact upon the total equities of the remainder of the Agency population, diluting even further the present position classification and compensation processes

D. Demographics

- * Trend: Baby Boomer generation reaching middle age
 - Problem: more people seeking limited number of high positions leading to plateauing, frustration, turnover
 - Solution: wider bands allow for annual salary growth even though promotions will still be limited
 - better career planning and development
- * Trend: Single parents and dual-income families will become even more common
 - Problem: traditional nuclear family is less prevalent
 - Solution: flexible benefits allow employees to tailor their benefits to their unique needs
- * Trend: Baby Bust generation reaches working age
 - Problem: fewer applicants in work force to select from
 - Solution: design a more competitive total compensation package

E. Alternative Pay Systems

Current CIA version of GS already differs considerably from OPM

China Lake Experiment (1980) - banding, pay for performance

Position Management Recognition System/Merit Pay (PMRS) has been widely used throughout the Federal gov't for GS 13's to 15's since 1983

NBS in 1986 is authorized to perform own market surveys

Naval civilian personnel operates under budget control only since 86

OPM is developing significantly revised structures, including banding

F. Significant Dates:

25 June 1987	DD's receive a copy of the System Design
08 July 1987	System Design is distributed to the Agency for review
July - Aug 1987	System Design is reviewed and feedback is consolidated for Directorate submission
1 September 1987	Feedback is submitted to the Task Force
Oct - Nov 1987	Task Force reviews the submissions and drafts a report for the ExCom
December 1987	Task Force report is submitted to the ExCom
1988 - 1989	Phased-in implementation pending legislative approval

G. SYSTEM DESIGN HOTLINE:

The System Design hotline number is

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II. HUMAN RESOURCE MODERNIZATION AND COMPENSATION TASK FORCE

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A. Senior Task Force

1. Chairperson
2. DA
3. DI
4. DO
5. DS&T
6. DCI

* As a result of the DCI's initiative, the Human Resource Modernization and Compensation Task Force (HRMCTF) was chartered in November 1986 to develop the design of an improved personnel and compensation system without adding more than 2 to 3 percent to the Agency's personal services budget.

B. Task Force Objectives

THE PROPOSED SYSTEM IS AN INTEGRATED DESIGN, AND NOT A FINAL PRODUCT
THE SYSTEM AS PROPOSED, IS A STARTING POINT FOR FURTHER CONSIDERATION

1. A pay and classification system that better relates compensation to performance and offers competitive alternatives to the private sector.
2. A more competitive total compensation package that allows employees more choices that meet their personal needs.
3. A career development policy that expands the concept of dual career tracks for substantive experts and managers.
4. A comprehensive review of the performance appraisal, automation and training required to implement and support the proposed new system.

C. Project Teams

1. Position Classification and Pay
 - a. determine and define occupational-specific work levels
 - b. establish position requirements for managers/experts
 - c. establish new position classification system
 - d. establish external market linkages
 - e. design Agency-unique pay system
2. Performance Appraisal
 - a. develop job-specific performance responsibilities and generic expectations
 - b. provide basis for better linkage to pay
 - c. simplify administration
 - d. design new/modified Agency performance appraisal system
3. Career Development
 - a. develop Agency-wide and occupation-specific requirements
 - b. develop career handbooks
 - c. design a dual track system for managers and experts
4. Computer Systems
 - a. cost projection models
 - b. employee benefit simulations
 - c. personnel/payroll system modifications
 - d. automated position classification/performance appraisal system
 - e. overall system maintenance and reporting
5. Total Compensation
 - a. collect private sector information
 - b. conduct employee focus groups
 - c. design an Agency flexible benefit and spending account system
6. Communications
 - a. notices and tapes
 - b. briefings
 - c. attitude surveys
7. Training
 - a. design more occupational-specific training
 - b. expand the availability and delivery of training opportunities

III. OCCUPATIONAL PANEL PRODUCTS

A KEY INPUT TO THE PROPOSED SYSTEM DESIGN WAS JOB ANALYSIS OF INDIVIDUAL AGENCY OCCUPATIONS. 28 OCCUPATIONAL PANELS WERE CONVENED, COVERING A LARGE PROPORTION OF THE AGENCY POPULATION AND PROVIDING A REPRESENTATIVE SAMPLE OF THE OCCUPATIONAL CATEGORIES

A. Purpose:

1. Develop job descriptions used to market price selected Agency occupations and develop an Agency-unique classification system.
2. Establish better links between pay and performance.
3. Examine current Agency performance appraisal system to determine if, as utilized, it will adequately support pay for performance.
4. Develop occupation-specific, career development criteria which expands the concept of dual tracks.

B. Results of Job Analysis:

IDENTIFIED 4-6 DISCRETE WORK LEVELS WITHIN EACH OCCUPATION, FROM ENTRY-LEVEL TO SENIOR MANAGER. INFORMATION DEVELOPED BY THE PANELS ON THEIR OCCUPATIONS IMPACTED THE PROPOSED SYSTEM DESIGN IN THE FOLLOWING MANNER:

JOB EVALUATION

1. Contributed to the design of an Agency-specific pay schedule-- Position descriptions developed by the occupational panels were used to make salary survey comparisons against similar jobs in the private sector. Because a large number of jobs within the Agency have no direct private sector counterpart, the occupational panels also provided the information necessary to develop an internal evaluation system. For these occupations, the internal evaluation system established a pay relationship to occupations for which market data was available.

2. Performance Appraisal - Each occupational panel was asked to comment on whether to retain, modify, or develop a completely new performance appraisal system. Nearly all panels agreed that modifications to our existing performance appraisal system were necessary in order to relate it more closely to performance and pay decisions and made recommendations for the design of a modified system.
3. Career Development - Each panel developed skills criteria for various levels in their occupations and examined the relevancy of current promotion criteria. This formed the basis for development of occupational specific career development guidance.

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16 SYSTEM DESIGN FEATURES

- FEATURE 1--OCCUPATIONALLY DEFINED BANDS:
- FEATURE 2--INCENTIVE PAY:
- FEATURE 3--PERFORMANCE PLAN:
- FEATURE 4--PERFORMANCE EVALUATION:
- FEATURE 5--OCCUPATIONAL CAREER HANDBOOKS:
- FEATURE 6--OPTIONAL INDIVIDUAL CAREER DEVELOPMENT PLANS:
- FEATURE 7--OCCUPATION SPECIFIC TRAINING:
- FEATURE 8--IMPROVED AVAILABILITY OF TRAINING:
- FEATURE 9--DUAL TRACK:
- FEATURE 10--PROMOTION:
- FEATURE 11--FLEXIBLE BENEFITS:
- FEATURE 12--LEAVE CONVERSION:
- FEATURE 13--EDUCATIONAL ASSISTANCE FOR DEPENDENTS:
- FEATURE 14--STAFFING MANAGEMENT TOOLS:
- FEATURE 15--SYSTEM CONTROLS:
- FEATURE 16--PROJECTION TOOLS:

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